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UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE DIVISION

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MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE, FLORIDA

UNITED STATES OF AMERICA,

Plaintiff,

v.

JOHN THOMAS, JR.,

Defendant.

Case No. 3:07-cr-11-f-32 m MH

Ct. 1: 18 U.S.C. § 371

Cts. 2-4: 18 U.S.C. §§ 1344 & 2

Cts. 5-7: 18 U.S.C. §§ 1014 & 2

UNDER SEAL

INDICTMENT

The Grand Jury charges that at all times material to this Indictment:

INTRODUCTION

1. Defendant **JOHN THOMAS, JR. ("THOMAS")** was a Special Agent with the United States Department of Treasury Inspector General for Tax Administration. From in or about March 1999 until in or about August 2000, defendant **THOMAS** fraudulently obtained approximately \$106,000 in loan proceeds from three local banks by submitting false loan applications. After obtaining the \$106,000, defendant **THOMAS** defaulted on those loans.

2. AmSouth Bank, now known as Regions Bank, was a financial institution with branch offices in Jacksonville, Florida. Deposits into its bank accounts were insured by the Federal Deposit Insurance Corporation ("FDIC").

3. NationsBank, now known as Bank of America, was a financial institution with branch offices in Jacksonville, Florida. Deposits into its bank accounts were insured by the FDIC.

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SHERYL LOESCH, CLERK
U. S. DISTRICT COURT
By: *[Signature]*
Deputy Clerk

4. Compass Bank was a financial institution with branch offices in Jacksonville, Florida. Deposits into its bank accounts were insured by the FDIC.

5. Co-conspirator CHRISTOPHER MCQUEEN ("MCQUEEN") was a self-employed loan broker who assisted defendant THOMAS in submitting false loan applications and shared in the fraudulently obtained loan proceeds.

6. Zan Tan Man Enterprises was a company created by defendant THOMAS to facilitate the fraudulent loan transactions.

COUNT ONE – CONSPIRACY
Title 18, United States Code, Section 371

7. The Grand Jury realleges and incorporates by reference the allegations contained in paragraphs 1 through 6 of this Indictment.

8. From in or about March 1999, until in or about August 2000, at Jacksonville, in the Middle District of Florida, and elsewhere, defendant,

JOHN THOMAS, JR.,

conspired and agreed with MCQUEEN:

- a. To execute a scheme to defraud AmSouth Bank, Bank of America, and Compass Bank and to obtain money, funds, credits, assets, securities, and other property under the custody and control of AmSouth Bank, Bank of America and Compass Bank by means of materially false and fraudulent pretenses, representations, and promises, contrary to Title 18, United States Code, Section 1344; and
- b. To submit false statements to AmSouth Bank, Bank of America, and Compass Bank with the intent to influence those banks to approve loan applications, contrary to Title 18, United States Code, Section 1014.

PURPOSE OF THE CONSPIRACY

9. A purpose of the conspiracy was that defendant **THOMAS** and his co-conspirators would unjustly enrich themselves and others by submitting false and fraudulent business loan and line of credit applications and supporting documents to obtain loans and lines of credit and by misappropriating the proceeds from those loans and lines of credit.

MANNER AND MEANS OF THE CONSPIRACY

The manner and means by which defendant **THOMAS** and his co-conspirators sought to accomplish the purposes of the conspiracy included, but were not limited to, the following:

10. It was part of the conspiracy that defendant **THOMAS** and his co-conspirators would cause the preparation of false and fraudulent loan and line of credit applications containing material misrepresentations, including misrepresentations regarding the purpose of the loan and the revenue, time in existence, and number of employees of Zan Tan Man Enterprises, an entity controlled by **THOMAS**.

11. It was further part of the conspiracy that defendant **THOMAS** and his co-conspirators would submit these false and fraudulent loan and line of credit applications and other documents to obtain loans and lines of credit from AmSouth Bank, Bank of America, and Compass Bank.

12. It was further part of the conspiracy that defendant **THOMAS** and his co-conspirators would obtain funds from the fraudulent loans and lines of credit and distribute the ill-gotten proceeds among themselves for their personal use and benefit.

OVERT ACTS

13. In furtherance of the conspiracy and to effect the objects thereof, defendant **THOMAS** and his co-conspirators committed the following overt acts in the Middle District of Florida and elsewhere:

AMSOUTH BANK LOAN

14. On or about August 10, 1999, defendant **THOMAS** caused the submission of a business line of credit application to AmSouth Bank for the purpose of obtaining a \$45,000 business line of credit in the name of "John Thomas, Jr./Zan Tan Man Enterprises," which application falsely stated in substance and in part that: (1) the loan was intended to benefit "Zan Tan Man Enterprises"; (2) Zan Tan Man Enterprises had been in existence since 1990; (3) the business was a "Computer Service Provider;" (4) the business had \$725,000 in gross revenue in the prior year; and (5) the business had 8 employees.

15. On or about August 13, 1999, defendant **THOMAS** signed a "Business Flexline of Credit Agreement" for \$35,000, in which he reaffirmed the false information regarding Zan Tan Man Enterprises contained in the business line of credit application previously submitted to AmSouth Bank.

16. On or about August 13, 1999, defendant **THOMAS** signed a security agreement and an "Agreement to Furnish Insurance," in which he pledged to AmSouth Bank as collateral all equipment he and Zan Tan Man Enterprises owned, when in fact neither he nor Zan Tan Man Enterprises owned such equipment, and agreed to obtain insurance covering such non-existent collateral.

17. Defendant **THOMAS** drew down a total of approximately \$35,000 from his

AmSouth Bank line of credit through cash advances and transfers, including the following, each of which is a separate overt act:

- a. A \$13,000 transfer to a company controlled by MCQUEEN on or about August 13, 1999;
- b. A \$5,000 cash advance on or about August 30, 1999;
- c. A \$2,500 cash advance on or about September 14, 1999;
- d. A \$9,000 cash advance on or about September 27, 1999; and
- e. A \$2,500 cash advance on or about October 5, 1999.

BANK OF AMERICA LOAN

18. On or about August 18, 1999, defendant **THOMAS** caused the submission of a business line of credit application to Bank of America for the purpose of obtaining a \$50,000 business line of credit in the name of "Zan Tan Man Enterprises," which application contained false information about the purpose of the loan and the company's time in existence, revenue, and number of employees.

19. On or about August 25, 1999, defendant **THOMAS** signed a \$50,000 business line of credit agreement in which he reaffirmed the false information contained in the business line of credit application previously submitted to Bank of America.

20. Defendant **THOMAS** drew down a total of approximately \$50,000 from his Bank of America business line of credit through checks and other withdrawals, including the following, each of which is a separate overt act:

- a. A \$17,500 check on or about October 19, 1999;
- b. A \$6,000 check made payable to a company controlled by MCQUEEN on or about October 28, 1999;

- c. A \$1,600 check made payable to MCQUEEN on or about November 16, 1999;
- d. A \$6,500 check made payable to MCQUEEN on or about November 16, 1999;
- e. A \$1,000 withdrawal on or about February 28, 2000; and
- f. A \$3,000 check made payable to MCQUEEN on or about August 23, 2000.

COMPASS BANK LOAN

21. On or about January 12, 2000, defendant **THOMAS** caused the submission of a small business loan application to Compass Bank for the purpose of obtaining a \$45,000 small business line of credit in the name of "Zan Tan Man Enterprises," which application falsely stated in substance and in part that: (1) the loan was intended to benefit "Zan Tan Man Enterprises"; (2) Zan Tan Man Enterprises had been in existence since 1994; (3) the business was a "Computer/Internet Provider;" (4) the business had \$563,000 in annual revenue; and (5) the business had 6 employees.

22. On or about January 19, 2000, defendant **THOMAS** signed a \$45,000 Compass Bank small business line of credit agreement in which he reaffirmed the false information regarding Zan Tan Man Enterprises contained in the small business loan application previously submitted to Compass Bank.

23. On or about January 19, 2000, defendant **THOMAS** signed a Compass Bank "Commercial Convenience Line Agreement Collateral Schedule" in which he pledged to Compass Bank as collateral, among other things, all inventory and equipment he and Zan Tan Man Enterprises owned, when in fact neither he nor Zan

Tan Man Enterprises owned such inventory or equipment.

24. Defendant THOMAS drew down a total of approximately \$21,000 from his Compass Bank small business line of credit account through checks, including the following, each of which is a separate overt act:

- a. A \$3,000 check made payable to MCQUEEN on or about February 15, 2000; and
- b. An \$18,000 check made payable to a company controlled by MCQUEEN on or about February 15, 2000.

All in violation of Title 18, United States Code, Section 371.

COUNT TWO – BANK FRAUD (AMSOUTH BANK)
Title 18, United States Code, Sections 1344 and 2

25. The Grand Jury realleges and incorporates by reference the allegations contained in paragraphs 1 through 6 and 14 through 17 of this Indictment.

26. From on or about August 10, 1999, through August 13, 1999, at Jacksonville, in the Middle District of Florida, and elsewhere, defendant,

JOHN THOMAS, JR.,

willfully executed and attempted to execute a scheme and artifice to defraud AmSouth Bank, and to obtain money, funds, credits, assets, securities, and other property owned by and under the custody and control of AmSouth Bank, by means of materially false and fraudulent pretenses, representations, and promises.

27. On or about August 10, 1999, defendant THOMAS willfully executed the scheme and artifice to defraud by submitting and causing to be submitted an application to AmSouth Bank for a \$45,000 business line of credit in the name of "John Thomas,

Jr./Zan Tan Man Enterprise," which application contained false information concerning: (1) the purpose of the loan; (2) the company's time in existence; (3) the company's number of employees; and (4) the company's gross revenue.

28. On or about August 13, 1999, defendant **THOMAS** signed a "Business Flexline of Credit Agreement" for \$35,000, in which he reaffirmed the false information regarding Zan Tan Man Enterprises contained in the business line of credit application previously submitted to AmSouth Bank. Soon thereafter, defendant **THOMAS** received a \$35,000 business line of credit from AmSouth Bank.

In violation of Title 18, United States Code, Sections 1344 and 2.

COUNT THREE – BANK FRAUD (BANK OF AMERICA)
Title 18, United States Code, Sections 1344 and 2

29. The Grand Jury realleges and incorporates by reference the allegations contained in paragraphs 1 through 6 and 18 through 20 of this Indictment.

30. From on or about August 18, 1999, until August 25, 1999, at Jacksonville, in the Middle District of Florida, and elsewhere, defendant,

JOHN THOMAS, JR.,

willfully executed and attempted to execute a scheme and artifice to defraud Bank of America and to obtain money, funds, credits, assets, securities, and other property owned by and under the custody and control of Bank of America, by means of materially false and fraudulent pretenses, representations, and promises.

31. On or about August 18, 1999, defendant **THOMAS** willfully executed the scheme and artifice to defraud by submitting and causing to be submitted an application to Bank of America for a \$50,000 business line of credit in the name of "Zan Tan Man

Enterprises," which application contained false information concerning: (1) the purpose of the loan; (2) the company's time in existence; (3) the company's number of employees; and (4) the company's revenue.

32. On or about August 25, 1999, defendant **THOMAS** signed a \$50,000 business line of credit agreement in which he reaffirmed the false information contained in the business line of credit application previously submitted to Bank of America. Soon thereafter, defendant **THOMAS** received a \$50,000 business line of credit from Bank of America.

In violation of Title 18, United States Code, Sections 1344 and 2.

COUNT FOUR – BANK FRAUD (COMPASS BANK)
Title 18, United States Code, Sections 1344 and 2

33. The Grand Jury realleges and incorporates by reference the allegations contained in paragraphs 1 through 6 and 21 through 24 of this Indictment.

34. From on or about January 12, 2000, through January 19, 2000, at Jacksonville, in the Middle District of Florida, and elsewhere, defendant,

JOHN THOMAS, JR.,

willfully executed and attempted to execute a scheme and artifice to defraud Compass Bank and to obtain money, funds, credits, assets, securities, and other property owned by and under the custody and control of Compass Bank, by means of materially false and fraudulent pretenses, representations, and promises.

35. On or about January 12, 2000, defendant **THOMAS** willfully executed the scheme and artifice to defraud by submitting and causing to be submitted an application to Compass Bank for a \$45,000 small business line of credit in the name of "Zan Tan

Man Enterprises," which application contained false information concerning: (1) the purpose of the loan; (2) the company's time in existence; (3) the company's number of employees; and (4) the company's annual revenue.

36. On or about January 19, 2000, defendant **THOMAS** signed a \$45,000 Compass Bank small business line of credit agreement in which he reaffirmed the false information regarding Zan Tan Man Enterprises contained in the small business line of credit application previously submitted to Compass Bank. Soon thereafter, defendant **THOMAS** received a \$45,000 small business loan from Compass Bank.

In violation of Title 18, United States Code, Sections 1344 and 2.

**COUNT FIVE – FALSE STATEMENTS ON LOAN AND CREDIT APPLICATIONS
(AMSOUTH BANK)**

Title 18, United States Code, Sections 1014 and 2

37. The Grand Jury realleges and incorporates by reference the allegations contained in paragraphs 1 through 6 and 14 through 17 of this Indictment.

38. On or about August 10, 1999, at Jacksonville, in the Middle District of Florida, and elsewhere, defendant,

JOHN THOMAS, JR.,

knowingly made false statements and reports to AmSouth Bank with the purpose of influencing the actions of that bank upon the defendant's loan application, by submitting and causing to be submitted an application to AmSouth Bank for a \$45,000 business line of credit in the name of "John Thomas, Jr./Zan Tan Man Enterprise," which application contained false information concerning the purpose of the loan and the company's time in existence, number of employees, and gross revenue.

In violation of Title 18, United States Code, Sections 1014 and 2.

**COUNT SIX – FALSE STATEMENTS ON LOAN AND CREDIT APPLICATIONS
(BANK OF AMERICA)**

Title 18, United States Code, Sections 1014 and 2

39. The Grand Jury realleges and incorporates by reference the allegations contained in paragraphs 1 through 6 and 18 through 20 of this Indictment.

40. On or about August 18 1999, at Jacksonville, in the Middle District of Florida, and elsewhere, defendant,

JOHN THOMAS, JR.,

knowingly made false statements and reports to Bank of America with the purpose of influencing the actions of that bank upon the defendant's loan application, by submitting and causing to be submitted an application to Bank for America for a \$50,000 business line of credit, which application contained false information about the purpose of the loan and the company's time in existence, number of employees and revenue.

In violation of Title 18, United States Code, Sections 1014 and 2.

**COUNT SEVEN – FALSE STATEMENTS ON LOAN AND CREDIT APPLICATIONS
(COMPASS BANK)**

Title 18, United States Code, Sections 1014 and 2

41. The Grand Jury realleges and incorporates by reference the allegations contained in paragraphs 1 through 6 and 21 through 24 of this Indictment.

42. On or about January 12, 2000, at Jacksonville, in the Middle District of Florida, and elsewhere, defendant,

JOHN THOMAS, JR.,

knowingly made false statements and reports to Compass Bank with the purpose of influencing the actions of that bank upon the defendant's line of credit application, by submitting and causing to be submitted an application to Compass Bank for a \$45,000

line of credit, which application contained false information about the purpose of the loan and the company's time in existence, number of employees, and gross revenue.

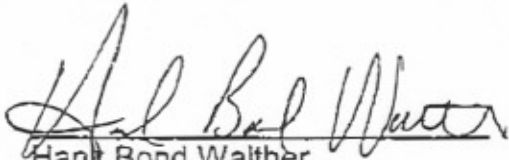
In violation of Title 18, United States Code, Sections 1014 and 2.

A TRUE BILL

FOREPERSON

STEVEN A. TYRRELL
Acting United States Attorney
Middle District of Florida

By:



Hank Bond Walther
Trial Attorney
Fraud Section, Criminal Division
United States Department of Justice

By:



Kathleen McGovern
Trial Attorney
Fraud Section, Criminal Division
United States Department of Justice